

## COUNTY COUNCIL RESOLUTION No. 2000-7

**BE IT RESOLVED BY THE COUNTY COUNCIL OF WARRICK COUNTY, INDIANA, THAT:**

WHEREAS, the Warrick County, Indiana (the "Issuer") is authorized by I.C. 36-7- 11.9 and 36-7-12 (together, the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of such facilities either directly or by loan to private companies and said facilities to be either directly owned by or leased or sold to such companies; and

WHEREAS, Rine Enterprises, LLC (the "Applicant") has advised the Warrick County Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer issue \$1,500,000 of its economic development revenue bonds (the "Bonds") and loan the proceeds of the Bonds to the Applicant for the purposes of assisting the Applicant in financing the costs of acquiring, constructing and equipping equipping an approximately 30,000 square foot economic development facility to be located at 5622 Vann Road, Newburgh, Indiana, within the boundaries of Warrick County (the "Project"). The facility will be leased by the Applicant to Spectronics, Inc. for use by Spectronics, Inc. in its metal plating and parts finishing operations; and

WHEREAS, the secretary of the Commission has transmitted to this Council the resolution of the Commission pursuant to which the Commission has found and determined that the financing described herein will be of benefit to the health and general welfare of the Issuer and its citizens; and

WHEREAS, the diversification of economic development and increase in job opportunities to be achieved by the construction of the Project will be of benefit to the health and general welfare of the Issuer and its citizens.

NOW THEREFORE, BE IT RESOLVED that the County Council of Warrick County, Indiana, does hereby resolve as follows, subject to applicable, federal, state and local laws, rules and regulations and appropriate filings by the Applicant and required public hearings and approval and recommendation of the Commission:

1. The Issuer hereby finds that the financing approved herein will be of benefit to the health and general welfare of the Issuer and its citizens, and that the acquisition, construction, equipping and operation of the Project will have no anti-competitive effect within the community.
2. The Issuer will issue the Bonds, in an aggregate maximum principal amount of not to exceed \$1,500,000, and loan the proceeds thereof to the Applicant for the purpose assisting the Applicant in financing the costs of acquiring, constructing and equipping the Project.
3. The Issuer will sell the Bonds to a purchaser or purchasers nominated by the Applicant and at prices to be approved by the Applicant, and if successful marketing arrangements can be made, it will adopt such proceedings as are necessary for the entering into of the Loan Agreement referred to in Paragraph 4 below and the issuance and securing of the Bonds.

4. Simultaneously with the delivery of the Bonds, the Issuer will loan (the "Loan") the proceeds from the sale of the Bonds to the Applicant pursuant to a loan agreement (the "Loan Agreement") to enable it to acquire, construct and equip the Project, and the terms and provisions of such Loan Agreement shall be substantially in the form generally utilized in connection with such financial undertakings, as agreed upon by the Issuer and the Applicant. The Loan Agreement shall contain, in substance, the following provisions:

(a) The term of the Loan will coincide with the term of the Bonds.

(b) The amounts payable under the Loan Agreement will be paid, at the direction of a national or state bank within the State of Indiana acting in the capacity of trustee (the "Trustee") for the benefit of the holders of the Bonds, at such times and in such amounts as shall be timely and sufficient to pay the principal of, the redemption premium (if any) and the interest on the Bonds as the same become due and payable. The obligation of the Applicant to make all payments required under the Loan Agreement shall be absolute and unconditional after the delivery of the Bonds.

(c) The proceeds of the sale of the Bonds will be deposited in a Project fund to be held by the Trustee and disbursed pursuant to requisitions in accordance with the requirements of the Loan Agreement. During the construction period, moneys in the Project fund may be invested in obligations which represent legal investments for bond proceeds of the Issuer.

(d) The Loan Agreement shall provide that in the performance of the agreements contained therein on the part of the Issuer, any obligations it may incur for the payment of money shall not be a general debt on its part and shall not be payable in any manner by revenues raised by taxation, but shall be payable solely from the payments received under the Loan Agreement or from the proceeds of the Bonds, and, under certain circumstances, insurance proceeds and condemnation awards.

(e) The Loan Agreement shall contain agreements providing for the indemnification of the Issuer and the individual members, directors and officers thereof for all expenses incurred by them and for any claim of loss suffered or damage to property or any injury or death of any person occurring in connection with the acquisition, construction and equipping of the Project.

(f) Principal of and interest on the bonds will be backed by an irrevocable letter of credit to be issued by a state or national bank acceptable to the Issuer and the Applicant (the "Letter of Credit Bank").

5. The Issuer will enter into a trust indenture (the "Indenture") with the Trustee. The Indenture will pledge the Loan Agreement and the amounts derived or derivable by or on behalf of the Issuer pursuant thereto, to the Trustee for the benefit of the bondholders, and the terms of the Indenture shall be agreed upon by the Issuer, the Applicant and the Trustee.

6. The Applicant may undertake the completion of the acquisition, construction and equipping of the Project prior to the issuance and delivery of the Bonds. Contracts for purchase of machinery, equipment and related real and personal property deemed necessary or desirable by the Applicant and, if necessary under the form of financing chosen, may be let by the Applicant.



The acceptance of the terms of this Resolution by the Applicant shall be deemed to mean that the Applicant agrees to guarantee payment of all such obligations incurred by the Issuer at the request of the Issuer in connection with such contracts or otherwise. The Applicant may advance any interim funds required in connection with the acquisition, construction and equipping of the Project and be reimbursed from the proceeds of the sale of the Bonds when the same are issued and delivered.

This Resolution shall constitute "official action" for purposes of compliance with federal and state laws requiring government action as authorization for future reimbursements from the proceeds of the Bonds.

7. If for any reason the Issuer has not issued bonds hereunder by July 1, 2001, the provisions of this Resolution and the agreement resulting from its acceptance by the Applicant shall, at the option of either the Issuer or the Applicant to be evidenced in writing, be canceled and neither party shall have any rights against the other and no third parties shall have any rights against either party except:

(a) the Applicant will pay the Issuer for all expenses which have been authorized by the Applicant and incurred by the Issuer in connection with the acquisition, construction and equipping of the Project; and

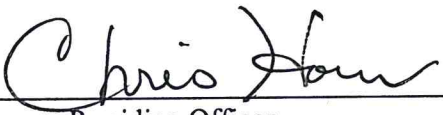
(b) the Applicant will pay the reasonable out-of-pocket expenses of members of the Commission, County Council and Counsel for both the Commission and the Issuer, incurred at the request of the Applicant in connection with the Project and the proposed issuance of the Bonds and will pay Counsel for the Commission and the Issuer their reasonable and customary fees for legal services related to the proposed Project and the proposed issuance of the Bonds.

8. The Applicant will apply for, and use its reasonable efforts to obtain, all permits, licenses, authorizations and approvals required by all governmental authorities in connection with the acquisition, construction and equipping, and operation and use, of the Project.

9. The Applicant, in accepting the proposals contained in this Resolution, will thereby agree to indemnify, defend and hold the Issuer and the individual members, directors and officers thereof harmless against any claim of loss or damage to property or any injury or death of any person or persons occurring in connection with the planning, design, acquisition, construction, equipping and installation of the Project. The Applicant also agrees to reimburse or otherwise pay on behalf of the Issuer any and all reasonable expenses not hereinabove mentioned, incurred by the Issuer in connection with the Project. This indemnity shall be superseded by a similar indemnity in the Loan Agreement and, if the Bonds are not issued and delivered, this indemnity shall survive the termination of the agreement resulting from the Applicant's acceptance of the proposals contained in this Resolution.

10. The Applicant, in accepting the proposals contained in this Resolution, will further thereby agree that proceeds of the Bonds will be used only in a manner that supports the findings of the Issuer contained herein.

Passed and adopted this \_\_\_\_ day of July, 2000.

  
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Presiding Officer

Attest: 